

UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO  
RICO,

as representative of

THE COMMONWEALTH OF PUERTO  
RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS  
(Jointly Administered)

Re: ECF No. 22578

AAFAF'S MOTION FOR LEAVE TO FILE STATEMENT REGARDING THE  
MOTION OF BONISTAS DEL PATIO FOR PAYMENT OF CERTAIN  
PROFESSIONAL FEES AND EXPENSES BY THE COMMONWEALTH

To the Honorable United States District Judge Laura Taylor Swain:

AAFAF<sup>2</sup> respectfully submits this motion for leave (the "Motion") to file a *Statement Regarding the Motion of Bonistas Del Patio for Payment of Certain Professional Fees and Expenses by the Commonwealth* (the "Statement"), attached as **Exhibit A**. AAFAF makes this request for the following reasons:

<sup>1</sup> The Debtors in these Title III cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), (iv) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474), (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747), and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523 (LTS)) (Last Four Digits of Federal Tax ID: 3801)

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the *Motion of Bonistas del Patio for Payment of Certain Professional Fees and Expenses by the Commonwealth* [ECF No. 22578].

1. On October 11, 2022, Bonistas filed the *Motion of Bonistas del Patio for Payment of Certain Professional Fees and Expenses by the Commonwealth* (“Bonistas’ Motion”) [ECF No. 22578]. Through its motion, Bonistas requests the Commonwealth pay certain professional fees and expenses incurred by Bonistas in connection with the negotiation of the COFINA Plan.

2. On November 29, 2022, the Official Committee of Unsecured Creditors filed its response to the Bonistas’ Motion [ECF No. 22929].

3. On December 14, 2022, the Court heard oral arguments on the Bonistas’ Motion. At the hearing, the Court noted that AAFAF and the Oversight Board did not file papers related to the Bonistas’ Motion and invited counsel for such parties to make oral statements with regard to the motion. AAFAF addressed the Court, and the Oversight Board requested leave to file a written statement with its position, which was granted. *See also* ECF No. 23070.

4. On December 28, 2022, the Oversight Board filed the *Statement of the Financial Oversight and Management Board for Puerto Rico Regarding the Motion of Bonistas del Patio for Payment of Certain Professional Fees and Expenses by the Commonwealth* [ECF No. 23176].

5. AAFAF, as the Commonwealth’s fiscal agent that was intimately involved in the COFINA restructuring and a counterparty to the COFINA PSA, believes the Court would also benefit from its position, which it attaches as **Exhibit A** to this Motion.

**WHEREFORE**, AAFAF requests the Court enter an order granting (i) the Motion and allowing AAFAF to file the Statement, and (ii) such other relief as is just and proper.

*[Remainder of this page intentionally left blank.]*

Dated: January 26, 2023  
San Juan, Puerto Rico

Respectfully submitted,

**O'MELVENY & MYERS LLP**

/s/ Peter Friedman

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**Exhibit A**

**AAFAF's Proposed Statement Regarding the Motion of Bonistas del Patio for Payment of Certain Professional Fees and Expenses by the Commonwealth**

**UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO  
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THE COMMONWEALTH OF PUERTO  
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Debtors.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**Re: ECF No. 22578**

**AAFAF’S STATEMENT REGARDING THE MOTION OF BONISTAS DEL PATIO  
FOR PAYMENT OF CERTAIN PROFESSIONAL FEES AND EXPENSES BY THE  
COMMONWEALTH**

To the Honorable United States District Judge Laura Taylor Swain:

With regard to the *Motion of Bonistas del Patio for Payment of Certain Professional Fees and Expenses by the Commonwealth* (“Bonistas’ Motion”) [ECF No. 22578], AAFAF<sup>2</sup> states as follows:

1. On October 11, 2022, Bonistas filed the Bonistas’ Motion requesting payment of certain fees and expenses by the Commonwealth.

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<sup>1</sup> The Debtors in these Title III cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474), (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747), and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523 (LTS)) (Last Four Digits of Federal Tax ID: 3801

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Bonistas’ Motion.

2. AAFAF participated in the December 14, 2022 hearing regarding the Bonistas' Motion, and has reviewed the related submissions to the Court by the Oversight Board, the Official Committee of Unsecured Creditors, and Bonistas.

3. AAFAF believes Bonistas played an important and unique role in COFINA's Title III case. Bonistas represented retail, on-Island bondholders' interests, which were not otherwise represented in that case. As AAFAF observed in a prior filing:<sup>3</sup> because of the complexity and importance of the COFINA negotiations, a need existed for the interests of local bondholders to be adequately represented in the negotiations.<sup>4</sup> This subset of bondholders live in Puerto Rico, participate daily in its economy, and are uniquely invested in Puerto Rico's economic recovery.

4. AAFAF also believes that the Bonistas' support for the COFINA Plan, its participation as a party to the COFINA PSA, and its efforts to educate on-Island bondholders regarding the COFINA Plan, greatly benefited the joint effort undertaken by the Oversight Board, AAFAF, and creditor parties to confirm the COFINA Plan.

5. Obtaining overwhelming support from on-Island bondholders was important not only for legal confirmation of the COFINA Plan, but also helped ensure that the first confirmed Title III plan had buy-in from affected on-Island stakeholders. And, of course, as the Court knows, confirmation of the COFINA Plan greatly benefitted the Commonwealth by resolving a major dispute and providing greater revenue to the Commonwealth. This, in turn, provided the Commonwealth with more resources to satisfy creditors and confirm its own successful plan of adjustment.

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<sup>3</sup> See *Response of the Puerto Rico Fiscal Agency and Financial Advisory Authority to the Official Committee of Unsecured Creditors' Urgent Response to Informative Motion [Docket No. 584]* [ECF No. 5117], ¶ 4.

<sup>4</sup> Moreover, as AAFAF stipulated on February 11, 2019 [ECF No. 5097], AAFAF believes the Bonistas Expenses are "expenses" within the meaning of Section 15.2 of the COFINA Plan and are payable by the Commonwealth.

6. Fundamentally, AAFAF believes there is a factual predicate for the Commonwealth paying the Bonistas' Expenses. Given the many benefits the settlement of the Commonwealth-COFINA Dispute provided to the Commonwealth, and the critical role Bonistas played in the development, negotiation, confirmation and consummation of the plan and the compromise and settlement of that dispute, AAFAF does not object to payment.

*[Remainder of this page intentionally left blank.]*

Dated: January 26, 2023  
San Juan, Puerto Rico

Respectfully submitted,

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